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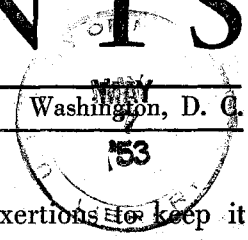

Dulles and Dewey: Within the Administration, there has arisen (despite great exertions to keep it quiet) a disturbing situation which has produced the jerks and jolts in the machinery of our foreign policy and, in all likelihood, will continue to do so for some time to come. This situation has much bearing on the slow and halting pace of efforts to make peace abroad; it also involves that original sin, domestic politics. It is this:

The stock of Secretary of State John Foster Dulles, not only with the public, but — more importantly — with the President, has sunk to a new low. At the same time, Dewey, who many believe has been slated to succeed Dulles if and when the latter resigns, has suffered a loss of prestige — which might eliminate him from the picture.

The facts, as relayed to us from day to day, down to this hour of going to press, are as follows:

At private pourparlers between German Chancellor Adenauer (during his recent visit to Washington) on the one hand, and Eisenhower, Dulles and the latter's advisers on the other — Dulles orated, blustered, bumbled and generally made a poor impression as director of our diplomacy. Americans present, appalled by Dulles' performance, were even more appalled when Ike, right in front of the leader of a foreign power, spoke sharply to and indeed rudely interrupted his Secretary of State. Ike was obviously fed up with Dulles, and word of this has spread from the White House to the lobbies of Congress where it is a topic of discussion.

On the Hill, therefore, the question is — who will succeed Dulles? The most likely candidate has been Governor Thomas E. Dewey who, some months ago, seemed destined for some high post in the Administration before the year was out. Yet, that is not (as of today) so certain, because of a blunder of which the New York Governor was guilty in recent weeks. The story of how Dewey has stubbed his toe is as follows:

Some weeks ago (just before the famous Gridiron dinner) Dewey attended a private dinner given by Mr. Richard Berlin, head of the Hearst organization. Others at the dinner included Senator Joseph McCarthy, Senator Herman Welker, Herman Phleger, legal adviser for the State Department, and other notables. Someone asked Dewey when he was coming to Washington to stay. The Governor startled everyone by retorting that he didn't want to come so long as Congressional committees "continued to smear innocent people" and impair the "morale" of government officials. Everyone gasped — for a Secretary of State who started with that hostile attitude towards Congress would be doomed.

Joe McCarthy good naturedly said, "Tom, you can have a place as chief counsel of my committee." But Senator Herman Welker waxed indignant and demanded that the New York Governor explain exactly what he meant. Dewey — sensing that he was in hot water — laughed and said he did not really mean anything, just wanted to tease McCarthy and Welker.

However, the host, Dick Berlin, did not let him off so easily, protesting: "But Tom, you said the same thing to me in New York last week." Whereupon Dewey said the only committee he could criticize was that of Senator Margaret Chase Smith — investigating the ammunition shortage.

The incident passed off, but was recounted in the Republican cloakrooms under the Dome of the Capitol, where it was said: "He's spoiled his chance for Secretary of State."

Not Merely Gossip: Heard at a gathering of Administration officials and members of Congress: Senator McCarthy and Undersecretary Walter Bedell Smith were talking about the Voice of America. Since

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Smith was formerly Ambassador to Soviet Russia, McCarthy asked him: "Can the Russians hear what the Voice of America is telling them?" Smith replied, "Oh, yes, perfectly." (This is the stock answer of partisans of the Voice.) McCarthy persisted: "Is the Russian jamming good?" Smith said, "Yes, very good." McCarthy — "Well, if that is so, then how can the Russians, as you say, hear what the Voice of America is telling them?" Smith didn't even try to handle that one.

● The next focal point of Congressional investigation will be the high personnel of our atomic energy organization. Believe it or not — despite the Fuchs and Rosenberg cases — there still is something to look into.

● Republicans on Capitol Hill are very much disturbed to hear rumors that the White House is considering offering a high job in the Mutual Security Agency to Victor Reuther, brother of Walter, head of the CIO. One GOP Senator groaned: "If they do, that'll be the last straw. . . ."

● Intelligence sources here say that there are about 650,000 Russian agents (who are Russians themselves) in China, including Manchuria. About 85 per cent are in highly industrialized Manchuria and only a few thousand south of the Yellow River in China. The obvious conclusion drawn from these figures is that the hold of Moscow is weakest in Southern China — and the obvious corollary is that this part of the country could be, with relative ease, inspired to revolt against the Red masters — thereby cutting off the Red threat to Indo-China, Laos, Siam and Burma — the rice bowl of the Far East.

Behind the Tidelands Conflict: The fantastic headline-hunting of Senator Wayne Morse and the farcical efforts of "liberals" to deny they are filibustering have obscured the real issue — the irrepressible conflict behind the tidelands debate.

Well-informed observers in the Capital have no illusions about the nature of this issue: the so-called liberals are struggling desperately in defense of their vested interest, that is — federal power and control over natural resources and federal plants with all the political and bureaucratic benefits on which these *soidisant* idealists feed. Their exertions become all the more frantic as they perceive that a contrary tide has set in — to give the resources of the country, which now lie under sway of the Federal bureaucrats, back to the people.

The tidelands bill is but one of the first engagements of this war — one of the first signs that a redistribution of hoarded federal wealth may be under way. Already there looms sale of the federal-owned synthetic rubber plants and the synthetic oil-from-coal plant, and there is serious talk of disposing of much of the vast domain of public lands. (A former Governor of an eastern state spoke feelingly to us of the necessity of redistributing the 300,000 acres of federal-owned land in his state.) Former President Hoover's fighting address of April 11 advocating breaking up the domain of the federal electric power monopolists has made a deep impression. An economy and tax-conscious Congress has little patience with the parasitic considerations of centralized bureaucratic power which continues to withhold, in sterile subjection, plant and land from a population whose enterprising elements could render them productive and of benefit to the nation as a whole.

Hence, the avaricious attempt of the liberals to retain the liberal "loot" which they have accumulated in the past twenty years. Hence, the compromise proposals of "liberal" Senator Hill (Ala., D.) to utilize federalized tidelands royalties for grants to education. This is an effort to push further the "liberal" dream of federal control of all education and with it complete power over the minds of generations to come.

The tidelands battle, therefore, is no more a partisan shenanigan of Democratic politicos striving to discredit a GOP Administration. It is a life-and-death struggle between those who want a free economy and those whose ultimate purpose is the monolithic state.

Education Front: Striking testimony before the Jenner Committee in the last few days has revealed how left-wingers have worked to spread their viewpoint in the public schools. Miss Anne Stommel, now

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in the film branch of the Army Signal Corps, told the committee how she learned about the use of films in public schools as a medium for red indoctrination, back in 1947.

She described how some 200 teachers were given the propaganda course which she, a recent Vassar graduate, attended; and she named the lecturers, two of whom were called to testify before the committee. Both — Richard Norton and William Frauenglass — refused to testify when asked if they were Communists, on the ground that they might incriminate themselves. Norton is a radio broadcaster and a publicity agent for the American Chemical Society. Frauenglass teaches English at James Madison High School, New York City, and said the training course to which Miss Stommel referred was planned to "break down religious and racial prejudices".

Miss Stommel's exposure fortifies the revelations of Miss Bella Dodd, herself a former Communist and teacher, and others who have told the Congressional group how the reds seek to sway the minds of pupils. The original hue and cry raised a month ago by so-called "progressive" educators, when it was first reported Congressional groups would look into the schools, has perforce subsided to a certain extent as a result of such disclosures in committee rooms.

Prominent college presidents, who would like to rid their faculties of reds, have rallied to the Jenner Committee's work and welcomed its assistance in the necessary process of weeding out subversives. The whole matter has come to appear in a proper perspective: the probes are obviously aimed at protecting "academic freedom" by eliminating Communists (who are its enemies) and not at infringing on this precious freedom.

Attention Taft: The Ohio Senator's too tolerant view (that Communist and fellow-traveller professors should not be ousted unless they actually teach Communism) receives a challenge in a notable piece by our well-known contributor, Professor E. Merrill Root (author of "Darkness at Noon in American Colleges"). The article is entitled "Just How Red is the Little Red School House?", in the April issue of *Surplus Record* (20 N. Wacker Drive, Chicago, Illinois).

Root relates how Professor Dirk Struik of M.I.T. was under fire in his faculty. Struik was "so zealous a party-liner", says Root, that one of his colleagues "constantly met questions and contradictions from his own students when he spoke of purges, slave labor and concentration camps in Russia. These questions and contradictions always originated in Professor Struik's mathematics classes." In short, Root shows that, whether the party-liner teaches politics or mathematics, sooner or later he will disseminate the party-line.

In the same article, Root addresses an exhortation to American businessmen which is worthy of note: "First of all, let American business be bold, militant, uncompromising. Do not appease the Left — fight it. And realize that, in so doing, you are opposing reaction, and that you are upholding the great American tradition of opportunity for all and freedom for all, that you are on the side of the Founding Fathers and of the American Revolution of 1776. *They* are the Tories, *they* are the Red Coats. You are the Minute Men of Freedom.

"Let business tell college presidents: 'We will not give you money for your colleges unless you give us men who believe in free enterprise, in America, in individualism, in the traditions that have made this country great. We want you to turn out intelligent graduates who know what capitalism is and how it works, and who support America with every inch and ounce and atom of their being'."

$55 Billion Problem: The U.S. Treasury will have to dig up a mere fifty-five billion dollars this year. That much of its outstanding obligations, including the savings bonds issued in 1943, is coming due. Of course, it will manage to get the money by one method or another. But how?

The other day one of its long-term bond issues, par value 100, dropped to a new low — 92⅝. Then, only yesterday, the new long-term issue successfully floated some weeks ago dropped a fraction below 100. Brokers now talk about the coupon rate going up to 3⅜ to entice buyers. Some market experts

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wonder if the Federal Treasury will have to re-introduce the tax-free feature for Federal Government bonds to accomplish their debt operations successfully. You can buy — they point out — state government "turn-pike issues" for about 4 per cent yields, tax free. That being so — what price federal bonds?

Even if federals reached a four per cent yield, that would still be far below the 12 per cent the Federal Government had to offer in Lincoln's time. Somehow, the history books tell us, even this inducement did not catch many flies, for less than a third of that five million dollar 12 per cent issue was taken by the banks. In those days, the government had no Sixteenth Amendment to offer as security for the bonds. It all goes to show that the free market rules sooner or later in the field of interest rates as well as elsewhere.

"Reasonable" Salaries: When the Sixteenth Amendment was under consideration, early in the century, not even the opponents could conceive the use of this tax measure to levy on the incomes of housemaids. It was a "soak the rich" law only.

This comes to mind as we read of a decision recently rendered by the United States Court of Appeals, reversing a decision of the United States Tax Court. The lower court had decreed that a certain corporation had paid its officers more than a "reasonable allowance" for salaries, and that therefore its deduction of these salaries from its income was not allowable.

In the case at issue the salaries under question ran into big money. But, if a legal body has the authority to determine what is or what is not a "reasonable" salary, will it always confine itself to these brackets? May it not in its infinite wisdom set up a scale of salaries that any corporation may pay its presidents, its secretaries? And, why not janitors?

If we remember correctly, under Mussolini's corporate state, all industry was privately operated and apparently privately owned, but the salaries paid to management — along with wages, profits and prices — were fixed by law. How far are we from that formula?

Books-Pamphlets-Magazines: The story of Pearl Harbor — and the steps leading to the disaster — is told in an interesting manuscript written by an officer who was not only "on the spot", but also "on the inside". Devin-Adair is considering publication.

● Former High Commissioner (to Germany) John J. McCloy is being boosted to replace Dulles as Secretary of State (now that there's an open season on John Foster). But those who read Major Hamilton Long's booklet *America's Tragedy* can scarcely join the McCloy procession. In the Long pamphlet, the story of the role McCloy played in letting Communists into the Pentagon and Army during the war is told at some length — as well as the whole story of the destruction of subversive files in the armed services. If McCloy was gullible then. . . . A limited supply of the Long opus is still available on request: address *Argus Advisory Associates*, Box 174, Benjamin Franklin Station, Washington, D. C.

● In the *Reader's Digest* (May), an excellent and comprehensive defense of the McCarran-Walter Immigration Act, entitled, "The Truth about the Immigration Act", by Representative Francis E. Walter (co-sponsor of the Act).

● For a useful questions-and-answers guide to the subject of Federal Aid to Education, a 61-page booklet entitled, "Manual for Workers and Speakers on Federal Aid to Education". (Address: Indiana PTA Members Study Group on Federal Aid to Education, P.O. Box 7027, Station A, Indianapolis, Ind.)

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